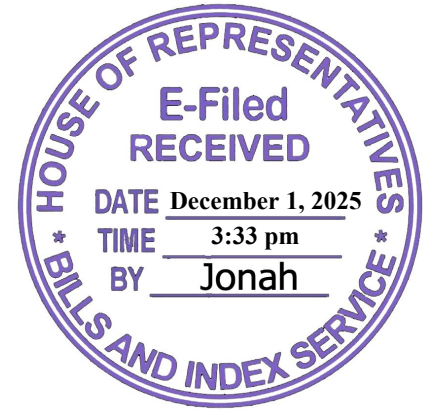


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 6505



INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

AN ACT
EXEMPTING FROM TAX ALL DONATIONS, GRANTS, ENDOWMENTS, OR
CONTRIBUTIONS USED ACTUALLY, DIRECTLY, AND EXCLUSIVELY FOR
GOVERNMENT'S YOUTH AND SPORTS DEVELOPMENT PROGRAMS AND
SPORTS COMPETITIONS

EXPLANATORY NOTE

Youth and sports development are essential pillars in nation-building. Through sports, young Filipinos gain opportunities to build discipline, leadership, resilience, and a strong sense of community. Investment in youth and sports also contributes to better health outcomes, safer communities, and the cultivation of national pride through competitive excellence

However, many youth and sports programs implemented by public educational institutions, local government units, and government agencies remain underfunded. Sports equipment, training facilities, grassroots development programs, and athlete support systems frequently rely on limited public resources. While private individuals and entities have expressed willingness to help, existing tax obligations—particularly donors’ tax—discourage greater participation and reduce the potential impact of private sector contributions.

This bill seeks to encourage more robust private sector support by granting tax exemptions and deductions for all monetary and in-kind donations used actually, directly, and exclusively for youth and sports development programs, as well as government-sanctioned sports competitions. By removing financial

barriers for donors, the measure aims to expand partnerships, strengthen grassroots sports development, enhance athlete training, and ensure that more Filipino youth benefit from inclusive, community-based, and institution-led -led sports initiatives.

The proposed measure also affirms the State's policy to promote physical education, support amateur sports, and cultivate a healthier, more active, and more empowered generation of Filipinos.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



REP. PATRICK MICHAEL "PM" D. VARGAS

Fifth District, Quezon City

Republic of the Philippines
House of Representatives
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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. – This Act shall be known as the “*Tax Exemption for Donations for Youth and Sports Development Act.*”

SECTION 2. Declaration of Policy. – The State prioritizes education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development. The State also promotes physical education and encourages sports programs, league competitions, and amateur sports, including training for international competitions, to foster self-discipline, teamwork, and excellence for the development of a healthy and alert citizenry. Moreover, all educational institutions shall undertake regular sports activities throughout the country in cooperation with athletic clubs and other sectors. Towards this end, the State shall foster the participation of the private sector in youth and sports development through voluntary sharing of resources.

SECTION 3. Definition of Terms. – For purposes of this Act, the following terms shall be defined as follows:

- a) *Public educational institutions* refer to all organizations established by the government primarily for the education of students, whether at the primary, secondary, or tertiary level;
- b) *Tax exemption* refers to measures exempting taxpayers, whether individuals or entities, from the payment of tax, including Donor's Tax and all other taxes and fees, arising from and related to the donation, grant, endowment, or contribution of money or property for youth and sports development and sports competitions; and
- c) *Sports competitions* refer to sports competitions sanctioned and funded by the government at the national and international levels that aim to develop Filipino athletes, enable them to gain experience and improve their performance, and promote sports in general.

SECTION 4. *Tax Exemption.* – The provision of any law to the contrary notwithstanding, all donations, grants, endowments, or contributions to youth and sports development programs and activities of public educational institutions, local government units (LGUs), and other government agencies in charge of youth and sports development, as well as government-sanctioned and -funded sports competitions at the national and international levels, shall be exempt from tax and shall be deductible from the taxable income of the donor: Provided, That such donations, grants, endowments, or contributions are used actually, directly, and exclusively for youth and sports development and government-sanctioned and -funded sports competitions.

SECTION 5. *Effect on Existing Exemptions.* – Any exemptions enjoyed by the donor under any existing law shall not be impacted by an action performed by the same donor to effect a donation to public educational institutions, LGUs, and other government agencies in charge of youth and sports development.

SECTION 6. *Valuation.* – For purposes of this Act, the equivalent monetary value of properties donated, granted, endowed, or contributed shall be the acquisition cost of the property or the certified book value thereof. Such valuation shall take into consideration the depreciated value of the property in case the same has been previously used by the donor.

SECTION 7. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days upon approval of this Act, the Department of Finance (DOF), Bureau of

Internal Revenue (BIR), and other concerned agencies shall promulgate and issue the Implementing Rules and Regulations.

SECTION 8. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision or part not otherwise affected shall remain in full force and effect.

SECTION 9. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to, or inconsistent with, the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation in the Philippines.

Approved,